

**Acquisition Policy**  
**DOT DASH**  
**2009-06**

**Date:** June 24, 2009

**To:** Chief of the Contracting Office (COCO)  
Acquisition Personnel

**From:** Office of the Senior Procurement Executive

**Subject:** Federal Acquisition Circular (FAC) 2005-0033

**SUMMARY:** Attached for your information is a summary of Federal Acquisition Circular 2005-33 which incorporates changes relative to Trade Agreements with Costa Rica, Oman, and Peru (FAR Case 2008-036) and incorporates improvements related to requests for progress payments and the form used to request those progress payments (FAR Case 2005-032).

This DASH and its attachment is available at <http://www.dot.gov/ost/m60>, under Quick Picks, Policy DASHES, Acquisition.

Questions concerning this policy DASH should be directed to Lenita Ahmadi at (202) 366-4974 or [lenita.ahmadi@dot.gov](mailto:lenita.ahmadi@dot.gov).



Cassandra Wells, Associate Director,  
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Office of the Senior Procurement Executive

Attachment

## **CONTENT OF FEDERAL ACQUISITION CIRCULAR 2005-033**

### **Item 1 – Trade Agreements – Costa Rica, Oman, and Peru (FAR Case 2008-036)**

This interim rule allows contracting officers to purchase the goods and services of Costa Rica, Oman, and Peru without application of the Buy American Act if the acquisition is subject to the applicable trade agreements. The free trade agreements with Cost Rica, Oman, and Peru join the North American Free Trade Agreement (NAFTA), the Australia, Bahrain, Chile, Morocco, and Singapore Free Trade Agreements, and the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua, which are already in the FAR. The threshold for supplies and services is \$67,826 for the CAFTA-DR and \$194,000 for the Oman and Peru Free Trade Agreements. The threshold for construction is \$7,443,000 for the CAFTA-DR and the Peru Free Trade Agreement and \$8,817,449 for the Oman Free Trade Agreement. The effective date of this interim rule is June 15, 2009.

### **Item II – Contractor’s Request for Progress Payment (FAR Case 2005-032)**

This final rule converts the proposed rule published at 73 FR 19035 on April 8, 2008, to a final rule with one editorial change. This final rule incorporates improvements related to requests for progress payments and the Standard Form (SF) 1443, Contractor’s Request for Progress Payments, used to request those progress payments. The effective date of this final rule is July 15, 2009.

# Standard Form 1443

<b>CONTRACTOR'S REQUEST FOR PROGRESS PAYMENT</b>	Form Approved OMB Number 9000-0010
<b>IMPORTANT: This form is to be completed in accordance with instructions on the reverse.</b>	

**SECTION I - IDENTIFICATION INFORMATION**

1. TO: NAME AND ADDRESS OF CONTRACTING OFFICE ADMINISTERING THE CONTRACT (Include ZIP Code)		2. FROM: NAME AND ADDRESS OF CONTRACTOR (Include ZIP Code)	
PAYING OFFICE		3. SMALL BUSINESS <input type="checkbox"/> YES <input type="checkbox"/> NO	4. CONTRACT NUMBER A. BASIC CONTRACT NUMBER B. TASK OR DELIVERY ORDER NUMBER
		5. CONTRACT PRICE \$	
6. RATES		7. DATE OF INITIAL AWARD	
A. PROGRESS PAYMENTS %	B. LIQUIDATION %	A. YEAR	B. MONTH
		8A. PROGRESS PAYMENT REQUEST NUMBER	
		8B. DATE OF THIS REQUEST	

**SECTION II - STATEMENT OF COSTS UNDER THIS CONTRACT THROUGH \_\_\_\_\_ (Date)**

9. RESERVED	
10. RESERVED	
11. COSTS ELIGIBLE FOR PROGRESS PAYMENTS UNDER THE PROGRESS PAYMENTS CLAUSE	
12a. TOTAL CONTRACT COST(S) INCURRED TO DATE	
b. ESTIMATED COST TO COMPLETE	c. TOTAL ESTIMATED COST OF PERFORMANCE
13. ITEM 11 MULTIPLIED BY ITEM 6a	
14a. FINANCING PAYMENTS PAID TO SUBCONTRACTORS	
b. LIQUIDATED FINANCING PAYMENTS TO SUBCONTRACTORS	
c. UNLIQUIDATED FINANCING PAYMENTS PAID TO SUBCONTRACTORS (Item 14a less 14b)	
d. SUBCONTRACT FINANCING PAYMENTS APPROVED FOR CURRENT PAYMENT	
e. ELIGIBLE SUBCONTRACTOR FINANCING PAYMENTS (Item 14c plus 14d)	
15. TOTAL DOLLAR AMOUNT (Item 13 plus 14e)	
16. ITEM 5 MULTIPLIED BY ITEM 6b	
17. LESSER OF ITEM 15 OR ITEM 16	
18. TOTAL AMOUNT OF PREVIOUS PROGRESS PAYMENTS REQUESTED	
19. MAXIMUM BALANCE ELIGIBLE FOR PROGRESS PAYMENTS (Item 17 less 18)	

**SECTION III - COMPUTATION OF LIMITS FOR OUTSTANDING PROGRESS PAYMENTS**

20. COMPUTATION OF PROGRESS PAYMENT CLAUSE LIMITATION	
a. COSTS INCLUDED IN ITEM 11, APPLICABLE TO ITEMS DELIVERED, INVOICED, AND ACCEPTED TO THE DATE IN HEADING OF SECTION II	
b. COSTS ELIGIBLE FOR PROGRESS PAYMENTS, APPLICABLE TO UNDELIVERED ITEMS AND TO DELIVERED ITEMS NOT INVOICED AND ACCEPTED (Item 11 less 20a)	
c. ITEM 20b MULTIPLIED BY ITEM 6a	
d. ELIGIBLE SUBCONTRACTOR FINANCING PAYMENTS (Same as Item 14e)	
e. LIMITATION (Item 20c plus 20d)	
21. COMPUTATION OF PROGRESS PAYMENT CLAUSE LIMITATION	
a. CONTRACT PRICE OF ITEMS DELIVERED, ACCEPTED AND INVOICED AS OF THE DATE SHOWN IN THE HEADING OF SECTION II	
b. CONTRACT PRICE OF ITEMS NOT DELIVERED, ACCEPTED AND INVOICED (Item 5 less 21a)	
c. ITEM 21b MULTIPLIED BY ITEM 6b	
d. UNLIQUIDATED ADVANCE PAYMENTS PLUS ACCRUED INTEREST	
e. LIMITATION (Item 21c less 21d)	
22. MAXIMUM UNLIQUIDATED PROGRESS PAYMENTS (Lesser of Item 20e or 21e)	
23. TOTAL AMOUNT LIQUIDATED AND TO BE LIQUIDATED	
24. UNLIQUIDATED PROGRESS PAYMENTS (Item 18 less 23)	
25. MAXIMUM PERMISSIBLE PROGRESS PAYMENTS (Item 22 less 24)	
26. AMOUNT OF CURRENT INVOICE FOR PROGRESS PAYMENT (Lesser of item 25 or 19)	
27. AMOUNT APPROVED BY CONTRACTING OFFICER	

**CERTIFICATION**

DATE \_\_\_\_\_

I Certify that:

- (a) The above statement (with attachments) has been prepared from the books and records of the above-named contractor in accordance with the contract and the instructions herein, and to the best of my knowledge and belief, that it is correct;
- (b) All the costs of contract performance (except as herewith reported in writing) have been paid to the extent shown herein, or where not shown as paid have been paid or will be paid currently, by the contractor, when due, in the ordinary course of business;
- (c) The work reflected above has been performed;
- (d) The quantities and amounts involved are consistent with the requirements of the contract;
- (e) There are no encumbrances (except as reported in writing herewith, or on previous progress payment request number \_\_\_\_\_) against the property acquired or produced for, and allocated or properly chargeable to the contract which would affect or impair the Government's title;
- (f) There has been no materially adverse change in the financial condition of the contractor since the contractor's (insert "as of" date of financial information) \_\_\_\_\_ submission of its last financial information dated (insert date of prior submission/certification) \_\_\_\_\_ to the Government in connection with the contract;
- (g) To the extent of any contract provision limiting progress payments pending final article approval, such provision has been complied with, and
- (h) After the making of the requested progress payment the unliquidated progress payments will not exceed the maximum unliquidated progress payments permitted by the contract.

NAME AND TITLE OF CONTRACTOR REPRESENTATIVE SIGNING THIS FORM	SIGNATURE
NAME AND TITLE OF CONTRACTING OFFICER	SIGNATURE

NSN 7540-01-140-5523

STANDARD FORM 1443 (REV. 7/2009)  
Prescribed by GSA FAR (48 CFR 53.232)

# Standard Form 1443 (Back)

## INSTRUCTIONS

**GENERAL** - All dollar amounts must be shown in whole dollars, rounded using a consistent methodology (e.g., always round up, always round down, always round to the nearest dollar). All line item numbers not included in the instructions below are self-explanatory.

**SECTION I - IDENTIFICATION INFORMATION.** Complete items 1 through 8b in accordance with the following instructions.

Item 1. TO - Enter the name and address of the cognizant Contract Administration Office (the office administering the contract).

PAYING OFFICE - Enter the designation of the paying office, as indicated on the contract.

Item 2. FROM - CONTRACTOR'S NAME AND ADDRESS/ZIP CODE - Enter the name and mailing address of the contractor. If applicable, the division of the company performing the contract should be entered immediately following the contractor's name.

Item 3. Enter an "X" in the appropriate block to indicate whether or not the contractor is a small business concern.

Item 4. Enter the contract number, including the task or delivery order number if applicable. Progress payment requests under individual orders shall be submitted as if the order constituted a separate contract, unless otherwise specified in this contract (FAR 52.232-16(m)).

Item 5. Enter the total contract price in accordance with the following (See FAR 32.501-3):

(1) Under firm-fixed-price contracts, the contract price is the current amount fixed by the contract plus the not-to-exceed amount for any unpriced modifications.

(2) If the contract is redeterminable or subject to economic price adjustment, the contract price is the initial price until modified.

(3) Under a fixed-price incentive contract, the contract price is the target price plus the not-to-exceed amount for any unpriced modifications.

However, if the contractor's properly incurred costs exceed the target price, the contracting officer may provisionally increase the price up to the ceiling or maximum price.

(4) Under a letter contract, the contract price is the maximum amount obligated by the contract as modified.

(5) Under an unpriced order issued against a basic ordering agreement, the contract price is the maximum amount obligated by the order, as modified.

(6) Any portion of the contract specifically providing for reimbursement of costs only shall be excluded from the contract price.

Item 6A. PROGRESS PAYMENT RATES - Enter the 2-digit progress payment percentage rate shown in paragraph (a) (1) of the progress payment clause.

Item 6B. LIQUIDATED RATE - Enter the current progress payment liquidation rate prescribed in the contract (FAR 52.232-16(b)) using three digits -

Example: show 80% as 800 - show 72.3% as 723. Decimals between tenths must be rounded up to the next highest tenth (not necessarily the nearest tenth), since rounding down would produce a rate below the minimum rate calculated (FAR 32.503-10(b) (4)).

Item 7. DATE OF INITIAL AWARD - Enter the four digit calendar year. Use two digits to indicate the month. Example: Show January 2005 as 2005/01.

Item 8A. PROGRESS PAYMENT REQUEST NUMBER - Enter the number assigned to this request. All requests under a single contract must be numbered consecutively, beginning with 1. Each subsequent request under the same contract must continue in sequence, using the same series of numbers without omission.

Item 8B. Enter the date of the request.

### SECTION II - STATEMENT OF COSTS UNDER THIS CONTRACT.

Date. In the space provided in the heading enter the date through which costs have been accumulated from inception for inclusion in this request. This date is applicable to item entries in Sections II and III.

Cost Basis. In accordance with FAR 52.232-16 (a) (1), the basis for progress payments is the contractor's total costs incurred under this contract, whether or not actually paid, plus financing payments to subcontractors (computed in accordance with FAR 52.232-16(j)), less the sum of all previous progress payments made by the Government under this contract.

Item 11. Costs eligible for progress payments under the progress payments clause. Compute the eligible costs in accordance with the requirements at FAR 52.232-16(a)(1) through (4). First articles: Before first article approval, the acquisition of materials or components for, or the commencement of production of, the balance of the contract quantity is at the sole risk of the contractor. Before the first article approval, the costs thereof shall not be allowable for purposes of progress payments. (See FAR 52.209-3(g) and FAR 52.209-4(h)).

Item 12a. Enter the total contract costs incurred to date; if the actual amount is not known, enter the best possible estimate. If an estimate is used, enter (E) after the amount.

Item 12b. Enter the estimated cost to complete the contract. The contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

Items 14a through 14e. Include only financing payments (progress payments, performance-based payments, and commercial item financing) on subcontracts which are in accordance with the requirements of FAR 52.232-16(j). Do not include interim payments under a cost reimbursement contract.

Item 14a. Enter only financing payments actually paid.

Item 14b. Enter total financing payments recouped from subcontractors.

Item 14d. Include the amount of unpaid subcontract progress payment billings which have been approved by the contractor for the current payment in the ordinary course of business.

**SECTION III - ADVANCE PAYMENTS/ACCEPTED ITEMS.** This Section must be completed only if the contractor has received advance payments against this contract, or if the items have been delivered, invoiced and accepted as of the date indicated in the heading of Section II above.

EXCEPTION: Item 27 must be completed for all progress payment requests where the line 12c amount exceeds the amount on Line 5.

Item 20a. Of the costs reported in Item 11, compute and enter only costs which are properly allocable to items delivered, invoiced and accepted to the applicable date. In order of preference, these costs are to be computed on the basis of one of the following: (a) The actual unit cost of items delivered, giving proper consideration to the deferral of the starting load costs or (b) projected unit costs (based on experienced costs plus the estimated cost to complete the contract), where the contractor maintains cost data which will clearly establish the reliability of such estimates.

Item 23. Enter total progress payments liquidated (monies recouped from the contractor on prior billings) and those to be liquidated from billings submitted but not yet paid (monies to be recouped from the contractor on submitted but unpaid billings).

### CERTIFICATION

Paragraph (f). If no financial information has been provided previously in connection with this contract, insert "N/A" in the submission date block and the financial information date block. Otherwise, insert respectively, the "as of" date of the financial information submitted last and the date of the last submission.